

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0247-01
Bill No.: HB 89
Subject: Insurance - Life; Medicaid; Public Assistance; Social Services Dept.
Type: Original
Date: January 14, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Unknown exceeding \$38,530)	(Unknown exceeding \$38,530)	(Unknown exceeding \$38,530)
Total Estimated Net Effect on General Revenue Fund	(Unknown exceeding \$38,530)	(Unknown exceeding \$38,530)	(Unknown exceeding \$38,530)

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Revenue and expenses unknown exceeding \$61,000 and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DOS)- Division of Medical Services (DMS)** stated the population affected by this proposal is unknown. However, DMS assumes that the fiscal impact will exceed \$100,000. The Medicaid yearly cost per eligible for the elderly population for FY 2004 is projected to be \$17,592. If this proposal would increase Medicaid eligibles over the age of 65 by 10 eligibles, the fiscal impact would be \$175,920 (\$17,920 X 10).

Officials from the **DOS - Division of Family Services (DFS)** state the DFS does not determine eligibility for Medicare. DFS has no tracking mechanism in place for determining the number of Medicaid cases closed or applications rejected as a result of the cash surrender value of insurance policies. The fiscal impact of this proposal is currently unknown.

FISCAL IMPACT - State Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

GENERAL REVENUE

HW-C:LR:OD (12/02)

Costs - Department of Social Services

Increase in program costs	(Unknown exceeding \$38,530)	(Unknown exceeding \$38,530)	(Unknown exceeding \$38,530)
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ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown exceeding \$38,530)	(Unknown exceeding \$38,530)	(Unknown exceeding \$38,530)
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FEDERAL FUNDS

Income - Department of Social Services

Medicaid reimbursements	Unknown exceeding \$61,470	Unknown exceeding \$61,470	Unknown exceeding \$61,470
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Costs - Department of Social Services

Medicaid reimbursements	(Unknown exceeding \$61,470)	(Unknown exceeding \$61,470)	(Unknown exceeding \$61,470)
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ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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* Revenue and expenses unknown exceeding \$61,000 and net to \$0.

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

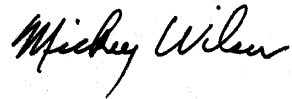
This proposal specifies that the term "resources" does not include the cash value of certain life insurance policies for purposes of determining Medicaid and Medicare eligibility for people who

are 65 years or older.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services -
Division of Family Services
Division of Medical Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 14, 2003